

Senate File 180

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1 3 AN ACT
1 4 RELATING TO THE PROCEDURES FOR HANDLING ABANDONED PROPERTY
1 5 AND PROPERTY PRESUMED TO BE ABANDONED.

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1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 9 Section 1. Section 556.11, subsection 2, paragraphs a and
1 10 c, Code 2003, are amended to read as follows:

1 11 a. Except with respect to traveler's checks ~~and~~ money
1 12 orders, cashier's checks, official checks, or similar
1 13 instruments, the name, if known, and last known address, if
1 14 any, of each person appearing from the records of the holder
1 15 to be the owner of any property of the value of ~~twenty-five~~
1 16 fifty dollars or more presumed abandoned under this chapter.

1 17 c. The nature and identifying number, if any, or
1 18 description of the property and the amount appearing from the
1 19 records to be due, except that items of value under ~~twenty-~~
1 20 five fifty dollars each may be reported in aggregate.

1 21 Sec. 2. Section 556.11, subsection 5, Code 2003, is
1 22 amended to read as follows:

1 23 5. If the holder of property presumed abandoned under this
1 24 chapter knows the whereabouts of the owner and if the owner's
1 25 claim has not been barred by the statute of limitations, the
1 26 holder shall, before filing the annual report, communicate
1 27 with the owner and take necessary steps to prevent abandonment
1 28 from being presumed. The holder shall exercise due diligence
1 29 to ascertain the whereabouts of the owner. A holder is not
1 30 required to make a due diligence mailing to owners whose
1 31 property has an aggregate value of less than fifty dollars.

1 32 The treasurer of state may charge a holder that fails to
1 33 timely exercise due diligence, as required in this subsection,
1 34 five dollars for each name and address account reported if
1 35 thirty-five percent of more of the accounts are claimed within
2 1 the twenty-four months immediately following the filing of the
2 2 holder report.

2 3 Sec. 3. Section 556.11, Code 2003, is amended by adding
2 4 the following new subsection after subsection 8:

2 5 NEW SUBSECTION. 9. Other than the notice to owners
2 6 required by subsection 5, published notice required by section
2 7 556.12, subsection 1, and other discretionary means employed
2 8 by the treasurer of state for notifying owners of the
2 9 existence of abandoned property, all information provided in
2 10 reports shall be confidential, unless written consent from the
2 11 person entitled to the property is obtained by the treasurer
2 12 of state, and may be disclosed only to governmental agencies
2 13 for the purposes of returning abandoned property to its owners
2 14 or to those individuals who appear to be the owner of the
2 15 property or otherwise have a valid claim to the property.

2 16 Sec. 4. Section 556.11, unnumbered paragraph 1, Code 2003,
2 17 is amended to read as follows:

2 18 10. All agreements to pay compensation to recover or
2 19 assist in the recovery of property reported under this
2 20 section, made within twenty-four months after the date payment
2 21 or delivery is made under section 556.13 are unenforceable.

2 22 However, such agreements made after twenty-four months from
2 23 the date of payment or delivery are valid if the fee or
2 24 compensation agreed upon is not more than fifteen percent of
2 25 the recoverable property, the agreement is in writing and
2 26 signed by the owner, and the writing discloses the nature and
2 27 value of the property and the name and address of the person
2 28 in possession. A person shall not attempt to collect or
2 29 collect a fee or compensation for discovering property
2 30 presumed abandoned under this chapter unless the person is
2 31 licensed as a private investigation business pursuant to
2 32 chapter 80A. This section does not prevent an owner from

2 33 asserting, at any time, that an agreement to locate property
2 34 is based upon excessive or unjust consideration. This section
2 35 does not apply to an owner who has a bona fide fee contract
3 1 with a practicing attorney and counselor as described in
3 2 chapter 602, article 10.

3 3 Sec. 5. Section 556.12, subsection 2, paragraph c, Code
3 4 2003, is amended by striking the paragraph.

3 5 Sec. 6. Section 556.12, subsections 3, 4, 5, and 6, Code

3 6 2003, are amended to read as follows:

3 7 3. The ~~state~~ state treasurer of state is not required to publish
3 8 in such notice any item of ~~less than twenty-five~~ fifty dollars
3 9 unless the treasurer deems ~~such the~~ publication to be in the
3 10 public interest.

3 11 4. Within one hundred twenty days from the receipt of the
3 12 report required by section 556.11, the ~~state~~ state treasurer of
3 13 state shall mail a notice to each person having an address
3 14 listed therein who appears to be entitled to property of the
3 15 value of ~~twenty-five~~ fifty dollars or more presumed abandoned
3 16 under this chapter.

3 17 5. The mailed notice shall contain:

3 18 a. ~~A~~ a statement that, according to a report filed with
3 19 the ~~state~~ state treasurer of state, property is being held to which
3 20 the addressee appears entitled.

3 21 b. ~~The name and address of the person holding the property~~
3 22 ~~and any necessary information regarding changes of name and~~
3 23 ~~address of the holder.~~

3 24 c. ~~A statement that, if satisfactory proof of claim is not~~
3 25 ~~presented by the owner to the holder by the date specified in~~
3 26 ~~the published notice, the property will be placed in the~~
3 27 ~~custody of the state treasurer to whom all further claims must~~
3 28 ~~be directed.~~

3 29 6. This section is not applicable to sums payable on
3 30 traveler's checks, ~~or~~ money orders, cashier's checks, official
3 31 checks, or similar instruments presumed abandoned under
3 32 section 556.2.

3 33 Sec. 7. Section 556.17, subsections 1 and 5, Code 2003,
3 34 are amended to read as follows:

3 35 1. All abandoned property other than money delivered to
4 1 the ~~state~~ state treasurer of state under this chapter which remains
4 2 unclaimed one year after the delivery to the treasurer may be
4 3 sold to the highest bidder at public sale in any city in the
4 4 state that affords in the treasurer's judgment the most
4 5 favorable market for the property involved. The ~~state~~
4 6 treasurer of state may decline the highest bid and reoffer the
4 7 property for sale if the treasurer considers the price bid
4 8 insufficient. The treasurer need not offer any property for
4 9 sale if, in the treasurer's opinion, the probable cost of sale
4 10 exceeds the value of the property. The treasurer may order
4 11 destruction of the property when the treasurer has determined
4 12 that the probable cost of offering the property for sale
4 13 exceeds the value of the property. If the treasurer
4 14 determines that the property delivered does not have any
4 15 substantial commercial value, the treasurer may destroy or
4 16 otherwise dispose of the property at any time. An action or
4 17 proceeding may not be maintained against the treasurer or any
4 18 officer or against the holder for or on account of an act the
4 19 treasurer made under this section, except for intentional
4 20 misconduct or malfeasance.

4 21 5. Unless the treasurer of state considers it to be in the
4 22 best interest of the state to do otherwise, all securities
4 23 presumed abandoned under section 556.5 and delivered to the
4 24 treasurer of state must be held for at least ~~three years~~ one
4 25 year before the treasurer of state may sell them. If the
4 26 treasurer of state sells any securities delivered pursuant to
4 27 section 556.5 before the expiration of the ~~three-year~~ one-year
4 28 period, any person making a claim pursuant to this chapter
4 29 before the end of the ~~three-year~~ one-year period is entitled
4 30 to either the proceeds of the sale of the securities or the
4 31 market value of the securities at the time the claim is made,
4 32 whichever amount is greater, less any deduction for fees
4 33 pursuant to section 556.18, subsection 2. A person making a
4 34 claim under this chapter after the expiration of this period
4 35 is entitled to receive either the securities delivered to the
5 1 treasurer of state by the holder, if they still remain in the
5 2 hands of the treasurer of state, or the proceeds received from
5 3 the sale, less any amounts deducted pursuant to section
5 4 556.18, subsection 2, but no person has any claim under this
5 5 chapter against the state, the holder, any transfer agent,
5 6 registrar, or other person acting for or on behalf of a holder
5 7 for any appreciation in the value of the property occurring
5 8 after delivery by the holder to the treasurer of state.

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MARY E. KRAMER
President of the Senate

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CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 180, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2003

THOMAS J. VILSACK
Governor